

**KEOKUK JUNCTION RAILWAY CO.  
1318 S. JOHANSON ROAD  
PEORIA, ILLINOIS 61607  
(309) 697-1400**

June 15, 2005

Mr. Scott Williams, Sr. Vice President and General Counsel  
Toledo, Peoria & Western Railway Corp.  
c/o RailAmerica, Inc.  
5300 Broken Sound Blvd., N.W., 2<sup>nd</sup> Floor  
Boca Raton, Florida 33487

RE: FD No. 34335

Dear Scott:

I am in receipt of your letter dated June 7, 2005, including two copies of the Trackage Rights Agreement, signed June 7, 2005. Despite your earlier failure to provide us with a fully executed copy of that agreement, KJRY has always operated as if it were in full force and effect. KJRY only pointed out your failure to provide us with a fully executed copy when TP&W, not KJRY, complained to Director Clemens that it did not have a signed copy. Furthermore, KJRY does not concede that this is an interim agreement, and we see no point in prefacing the Agreement with a statement that it was "signed under protest". If the TP&W wants to reject the Board approved trackage rights and instead institute an interchange with KJRY at Kolbe and Hollis for traffic to/from the Mapleton Industrial Spur traffic to, it is free to do so.

Nevertheless, to avoid any further dispute regarding the validity of that Agreement from KJRY's perspective, KJRY is willing to sign your Agreements. Your copies included a few errors, one of which needs to be corrected. At Section 8(C), page 4, I corrected the last word to read "CPI" (consumer price index) in place of "CRI". If you will initial and return, we will execute and return your copy of the Agreement.

As to the assignment document, KJRY rejected the proposed assignment document, as you note, for numerous reasons. I e-mailed a proposed revision to Gary Laakso, who repeatedly told me that TP&W had agreed to it and would forward the revised document. Despite these assurances, KJRY has never received the revised documents nor have any copies of the actual assigned documents themselves been provided, nor any mortgage releases, valuation maps, or other documents of any kind.

As to the deeds, you note that KJRY rejected the proposed deeds. As explained to you at the time, KJRY did so because the form of those deeds did not comply with the Board's orders. Our rejection of your proposed deeds does not mean that the property remains the ownership of TP&W. KJRY filed, in all four counties, copies of the Board decisions and Affidavits of Title evidencing the sale. I think it is fair to say that record title is no longer in the name of TP&W, but appropriate

deeds drafted in accordance with the Board's orders should still be filed.

Consistent with our reasons for rejecting your proposed deed language and assignment agreement, I am also enclosing herewith copies of the revisions to the assignment agreement and deeds that KJRY requests. These documents fully comply with the Board's orders and should not be the subject of needless negotiations. I would ask that you forward us the new assignment agreement, the revised deeds, and the all of the documents that the Board ordered TP&W to provide and to which KJRY is entitled. After doing so, please contact me so we can arrange a time to discuss all remaining issues.

Sincerely yours,

Daniel A. LaKemper,  
General Counsel.

cc: Melvin F. Clemens, Jr., STB.  
Louis Gitomer, Esq.